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## **Establishing a Plantwide Applicability Limitation for Sources of GHGs**

**Question:** May a source be issued a permit with a plantwide applicability limitation (PAL) for greenhouse gases (GHG)?

**Answer:** Yes, a GHG PAL may be established using actual emissions, under the PAL provisions in 40 CFR 52.21(aa), but only on a mass basis and calculated using a corresponding significant level of 0 tons per year (TPY). A PAL cannot be a CO<sub>2</sub>e-based limit, nor can it be calculated using a 75,000 TPY CO<sub>2</sub>e significant level.

Under 40 CFR 52.21(aa), a PAL emission level is calculated and established for a source by adding the “baseline actual emissions” of the PAL pollutant (for each emission unit at the source) to the pollutant’s “significant” level under 40 CFR 52.21(b)(23), both of which are defined on a mass basis (*i.e.*, tons per year). Since EPA has not established a specific significant level for GHGs, the significant level for GHG is *any* increase in GHG (*i.e.*, any emissions rate above 0 TPY on a mass basis).<sup>1</sup> While some people have questioned whether the significant level for GHG is 75,000 TPY of CO<sub>2</sub>e, EPA explained in the preamble to the GHG Tailoring Rule that the significance level for GHG is any amount greater than 0 TPY on a mass basis.<sup>2</sup> Accordingly, a PAL for GHG is established on a mass basis by adding the source’s baseline actual emissions of GHG with the GHG significant level of 0 TPY.

While use of a GHG PAL limit using CO<sub>2</sub>e is not allowed under existing regulations, EPA believes the flexibility generally afforded by use of PAL limits is already provided, to some extent, by the GHG Tailoring Rule. Specifically, under 40 CFR 52.21(b)(49), a modification must result in an increase of at least 75,000 TPY CO<sub>2</sub>e before GHG are considered “subject to

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<sup>1</sup> 40 CFR 52.21(b)(23)(ii).

<sup>2</sup> See 75 FR 31559-31560. EPA acknowledges that 40 CFR 52.21(b)(49)(iii) includes a CO<sub>2</sub>e “significant” level for the purpose of defining whether an emissions increase from a modification is “subject to regulation”; however, use of that term applies only under paragraph (b)(49) and does not change the general definition of “significant” in paragraph (b)(23) or as it used in other provisions of 40 CFR 52.21.

regulation” at the source, and thus trigger PSD permitting requirements for GHG. Accordingly, even without a GHG PAL limit established on a CO<sub>2</sub>e basis, a source may undertake actions that increase GHG at levels less than 75,000 TPY CO<sub>2</sub>e without triggering PSD permitting requirements for GHG.